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On official visit

King receives Yemeni premier



N. YEMEN PREMIER: King Khalid Tuesday receives North Yemeni Premier Abdal Ghani who arrived in Riyadh earlier in the day on an official visit.

JEDDAH, June 5 (SPA) — King Khalid Tuesday received North Yemeni Premier Abdal Ghani, who arrived earlier in the day on an official visit.

The meeting was attended by Crown Prince Fahd, Second Deputy Premier and Commander of the National Guard Prince Abdullah, Defense Minister Prince Sultan, Foreign Minister Prince Saud Al-Faisal, the King's special adviser Dr. Rashad

Al-Harithy.

On his arrival, Abdal Ghani was received by Prince Fahd, Prince Abdullah, Riyadh Governor Prince Salman, Sheikh Tarrad and other officials.

Abdal Ghani, who arrived here from Baghdad was accompanied by a large delegation which included Sheikh Abdulla ibn Hussein Al-Ahmar, member of the advisory council and chief of

the largest tribe in North Yemen, Ali Lutf Al-Thawr, minister of development and planning, Hussein Al-Amri, minister of foreign affairs.

In a statement to SPA the Prime Minister said his visit would further consolidate the already excellent Saudi-Yemeni relations and would deal with the latest developments in the Arab world to coordinate attitudes and policies.

Iran claims Iraqi warplanes attacked two villages, killing 6

TEHRAN, June 5 (Agencies) — Iranian fighters crossed the Iraqi border in Kurdistan Monday and attacked two villages, killing at least six people, the governor general of West Azerbaijan Province claimed Tuesday.

Mohammad Abassi said the warplanes strafed and bombed the villages of Gursbeh and Garbeh.

Uninformed sources in the Kurdish city of Sanandaj said the Iraqis informed sources in the Kurdish city of Sanandaj said the Iraqis

were apparently in pursuit of Kurdish guerrillas who had crossed over the frontier.

Government officials in Tehran were not immediately available for comment on the reports.

Abassi said that the final death toll in the attack was not known but said 11 houses had been damaged.

Informed sources said that among a number of wounded was a member of the Patriotic Union

of Kurdistan (PUK), led by Jalal Talebani. This could not be immediately confirmed.

Reports of the attack came at a time of border tension between Iran and Iraq in the southern Iranian province of Khuzestan, where autonomy-seeking ethnic Arabs last week clashed with local Persian militia.

Both sides denied reports that they had concentrated on the border, but reports were prevented from reaching the frontier in Khuzestan to make an independent check.

The Kurdish border has long been a problem area for both Baghdad and Tehran and relations between the countries were only normalized in 1975 after the Shah agreed to drop his support for Kurdish separatists on the Iraqi side of the border.

The tense situation in Khuzestan last week gave rise to a spate of anti-Iraqi propaganda posters attacking Baghdad's Baath Party leadership.

The official Voice of the Islamic Revolution radio claimed that Iraqi helicopters had crossed the border in Khuzestan on reconnaissance flights and had moved troops up to the border but this was denied in Baghdad.

Meanwhile, Iran's second ranking religious leader voiced support Tuesday for his country's Arab minority which is seeking greater autonomy.

"Arabs in Iran have suffered extreme injustices under the Shah and should not continue to be deprived of their rights under the revolution," Ayatollah Sayed-Kazem Sharifmadari said in an interview with the Kuwait newspaper "Al-Anbar".

Sharifmadari said he had protested against the "ill treatment" which the religious leader of Arabs, Ayatollah Sheikh Muhammad Khagani, had received at the hands of revolutionary committees, but he accused "foreign elements" to have contributed to the clashes in Khuzestan.

In Tehran, hundreds of thousands of people transformed a rally Tuesday from a commemoration of revolutionary victims into a display of support for Ayatollah Khomeini, Iran's top religious and revolutionary leader.

The rally followed criticism of Khomeini in recent weeks by a variety of political and religious figures, who have claimed democratic freedoms are being ignored in the country and that Iran is slipping toward a dictatorship.

Similar rallies were staged in major cities around the country, benefiting from a national holiday declared by the government. State radio said slogans supporting Khomeini predominated everything.

Ghanaian officers' coup said successful

LONDON, June 5 (AP) — Rebel officers apparently led by a left-wing air force officer, Flight Lieutenant Jerry Rawlings, declared late Monday night they have overthrown Ghana's military government and control the main military barracks, according to Radio Accra reports monitored here.

After a day of confusion in which it appeared at one point the coup had failed, Lt. Gen. Joshua Hamidi, describing himself a chief of defense staff, said in a broadcast he was in the radio station "to confirm that the army headquarters, first brigade headquarters, Burma Camp, are under the control of the revolutionary forces and supporting forces."

There was no reference to Ghana's second infantry brigade, stationed at Kumasi, 100 miles north of the capital, Burma Camp, the main barracks, is on the outskirts of Accra.

Nor did Hamidi say what has happened to Maj. Gen. Rov Koel, who was named chief of defense staff last July.

In two almost identical broadcasts against a background of military music, Hamidi said: "To avoid further bloodshed I am appealing to you all to lay down your arms and return to barracks and cooperate with the revolution. Long live Ghana."

At 2300 GMT, Accra Radio closed for the night and said it would be back on the air Tuesday at its normal opening time.

Earlier Monday, rebels seized the radio station and ordered loyalists barricaded in the Accra police headquarters to surrender or be attacked by warplanes, broadcasts monitored in Lome, capital of Ghana's neighboring state, Togo, said.

Broadcasts throughout the day, including late night casts monitored in London, referred to Rawlings as being in control, A 8 p.m. to 6 a.m. curfew was imposed in the capital, the radio said.

The coup is Rawlings' second attempt in three weeks to seize power. He was jailed after the mid-day attempt, and Radio Accra broadcasts said he was freed Monday in a rebel raid on the jail.

"Now we have Britain, France and the United States. It gives me great pleasure to take this opportunity to announce to you that China had concluded a deal with us..."

Sadat's speech was made to

U.S. criticizes Israel on settlement decision

WASHINGTON, June 5 (Agencies) — The United States "deeply regrets" an Israeli cabinet decision to establish a new West Bank settlement, the State Department said Monday night.

The Israeli voted Sunday to permit a new settlement near Nablus, a major Palestinian city 30 miles from Jerusalem.

"The establishment of new settlements is harmful to the peace process. It's particularly regrettable with negotiations just beginning to establish a new relationship between Israel and the West Bank," said State Department spokesman Hodding Carter.

"We hope the parties will forego any actions detrimental to the peace process."

Carter said the State Department was trying to confirm reports that the new settlement will be on privately-owned Palestinian land seized by Israel, rather than on land which had been controlled by Jordan as state property before Israel occupied it in 1967.

"The takeover of private prop-

erty would add another distressing dimension to the settlement, Carter said.

Carter's protest was the latest in a long series of U.S. statements deplored the settlement programs of various Israeli governments. The official American position is that the settlements are violations of international law which prohibits settling in occupied territory.

The Israeli claim that the West Bank is part of the "historical land" of Israel and that no Arab government has a legal claim to it.

Carter said there were no U.S. plans to take further steps against Israel, beyond delivering the port-

et.

The State Department spokesman also condemned the assassination last Friday of the ranking religious leader in the Gaza Strip, Sheikh Hashem Husaydar, who was an outspoken supporter of the Egyptian-Israeli peace treaty.

The Popular Front for the Liberation of Palestine claimed responsibility for the killing.

"The takeover of private prop-

Sadat announces arms deal with China; attacks critics

ISMAILIA, Egypt, June 5 (R) — President Anwar Sadat announced Tuesday he had concluded a deal with China which Western diplomatic sources said involved a large shipment of Chinese-built MiG aircraft.

Sadat announced the deal at a meeting with officers and men of the Egyptian armed forces near this Suez Canal city.

"It gives me great pleasure to take this opportunity to announce to you that China has concluded a deal with us," Sadat said.

He gave no details of the deal, but the Western diplomatic sources said agreement was for Chinese-built MiGs. They could give no further information on how many planes were involved or what type of MiGs they were.

In Peking, there was no immediate Chinese comment on Sadat's announcement.

Sadat said he would thank the Chinese leadership on behalf of the armed forces "for this deal, for this aid devoid of ulterior motives."

His speech also contained previously-announced details on arms deals with the United States involving Phantom and F-5E jet fighters.

Sadat's announcement of the Chinese deal came during a long review of how he had overcome the Soviet arms embargo on Egypt imposed because of bitter political differences between Cairo and Moscow.

The Soviet Union was Egypt's chief arms supplier for many years but Sadat decided to diversify his source of arms after the Soviet embargo was imposed in 1974.

Sadat said Tuesday that Egypt now had deals with Britain, France and the United States.

"After taking the decision to diversify our sources of weapons, France and Britain sold to us," Sadat said, and added that Egypt was also buying Phantom and F-5E aircraft from the United States.

"Now we have Britain, France and the United States. It gives me great pleasure to take this opportunity to announce to you that China had concluded a deal with us..."

Sadat's speech was made to

mark the fourth anniversary of the reopening of the Suez Canal, shut for eight years following the 1967 war.

The purchase of the American F-5E aircraft was originally to have been financed by Saudi Arabia but after conclusion of the Egyptian peace treaty with Israel Sadat said he believed the Kingdom would not pay for the planes.

He said then he would go to the American people for the money for the deal which was for 50 of the aircraft.

He did not mention how many of the Phantom planes he hoped to get but said some would be in Egypt in time for the Oct. 6 military parade which marks the anniversary of the 1973 Arab-Israeli war.

Sadat said the Arab Industries Organization (AOI), a consortium of Egypt, Saudi Arabia, Qatar and the United Arab Emirates (UAE) to develop an Arab arms industry, would be replaced

by a new body with the same aims — the Egyptian Organization for Arms Industrialization.

Saudi Arabia, Qatar and the UAE are winding up the AOI in protest against the treaty.

Sadat also lashed out at Arab critics — all Arab states except Oman, Somalia and Sudan have broken diplomatic and other relations with Egypt over the separate peace treaty.

He said the treaty had already obtained the return of the Sinai capital of El-Arish and added: "We only wish that all those Arab rulers were with us who are bolling with defeat, hatred and bitterness. But this is how they behave."

"Those Arab states which had launched a campaign of abuse against Egypt after it started the peace process failed to understand Egypt's aims and we shall not give them a minute of our attention," he said.

"We shall equally not heed them now that we are going to

start talks on Palestinian autonomy on the West Bank of Jordan and the Gaza Strip," he said.

"If the critics imagined that the fate of Egypt and the Arab nation would be left to the whims of those in Baghdad, Tripoli and Damascus they are wrong," he added.

Sadat, as he frequently does in his speeches, singled out Libyan leader Muammar Qaddafi for personal attack.

Earlier Monday, Israeli Foreign Minister Moshe Dayan, after an unscheduled meeting with Sadat, described the Egyptian leader as "very optimistic, very sure of himself... and very firm on how he is implementing the peace treaty."

Sadat, Dayan said, is convinced that peace treaties between Israel and other Arab countries will come, "and that he is taking the right way. He has no hesitation in the full implementation of normalization."

Italy's political stalemate unchanged in spite of vote

ROME, June 5 (AP) — The election of a new parliament failed to break the Italian political stalemate Tuesday as the Christian Democrats made no gains and the voters rebuffed a Communist bid to enter the government.

The results of the nationwide voting Sunday and Monday bore out the predictions of pre-election opinion polls.

The communist share of the vote dropped four percentage points, the first time the showing by the biggest Marxist party in the West fell off in a national Italian election. The Christian Democrats and their allies in Washington were delighted by this. But once again the Christian Democrats will be forced to seek support from the Socialists to govern, and they were demanding half the cabinet seats.

The negotiations to form Italy's 38th postwar government were expected to stretch deep into the summer. Party leaders said no meaningful bargaining could start until after the election next Sunday of representatives to the European Parliament.

The Christian Democrats won

262 of the 630 seats in the Chamber of Deputies, one less than they won in the last national election in 1976.

The Communists lost 27 seats in the lower house, winning 201.

They got 11,107,883 votes, or

30.4 per cent, compared to 34.4 per cent in 1976.

Also winning Senate seats were

13 neo-Fascists, 9 Social Democrats,

6 Republicans, 2 Liberals, 2 Radicals, 3 South Tyrol Volkspartei

and 1 Christian Democrat-Liberals.

The division of votes for the two houses differed because the minimum voting ages were different — 25 for the Senate and 18 for the Chamber of Deputies.

Communist Party Secretary Enrico Berlinguer, who forced the election two years ahead of schedule by withdrawing his support from Premier Giulio Andreotti's minority Christian Democratic government last December conceded his forces suffered a "considerable loss."

He said the party will "fight to

preserve the interests and rights of the working masses."

Washington meeting to study policy toward Gulf region

Washington Bureau

WASHINGTON, June 5 — President Carter's top foreign policy advisers will begin secret deliberations Wednesday on future U.S. policy toward the Arabian Peninsula and the Gulf, including the possibility of a stepped-up military role in the region, informed sources told "Arab News."

The president's policy review committee, chaired by Secretary of State Cyrus Vance, has scheduled meetings for June 6 and 13 to discuss a wide range of U.S. policy options for the Gulf region in the wake of recent American setbacks in the area, the sources said.

The policy makers, meeting in the underground "situation room" located beneath the White House, are expected to engage in an intense and sometimes heated debate over whether to expand the American military presence in the oil-rich areas of the Middle East, a move strongly advocated by the military and by some members of the National Security Council staff, according to the sources.

Vance and other State Department officials are said to oppose a dramatic increase in U.S. military strength in the Gulf region.

Among the ideas to be discussed Wednesday and next week:

— The creation of a 100,000-man quick reaction military strike force to be used for desert warfare and protection of oil installations. This force, to be airlifted to the Middle East in the event of crisis, was recommended by President Carter over a year ago. Sources believe if the concept is adopted,

the force will be smaller than originally envisioned.

— The establishment of a new U.S. military command for the Middle East. At present, American military operations in the Arabian Peninsula and the Gulf, including the possibility of a stepped-up military role in the region, are controlled by the U.S. Command in Europe. If a Middle East command is set up, it is not likely to include any permanent combat units. Instead, the commander-in-chief would draw on specially earmarked units from other commands as the situation warrants.

1st Jubail chemical plant likely to cost \$7 billion

JEDDAH, June 5 — Saudi Arabia's first petrochemical project, a plant at Jubail to produce 656,000 metric tons of ethylene, will cost around \$7 billion, Saudi Basic Industries Corporation Chief Executive Abdul Aziz Al-Zamel said Tuesday.

Zamel told "Al-Riyad" newspaper that the project's cost will be shared equally between SABIC and its joint venture partner, Shell Oil Company of the United States.

An agreement will be signed within five months, Zamel said.

The plant, which will take three years to build, will produce from the ethylene base 255,000 metric tons of acetylene, 454,000 MT of ethylene dichloride, 281,000 MT of ethanol and 355,000 MT of caustic soda.

SABIC experts are now touring Japan and Taiwan for talks on a second petrochemical plant at Jubail with the Japanese chemical industry and a fertilizer plant, also at Jubail, with the Taiwan government.

Jubail desal plant

"Al-Riyad" also reported that

contracts for the massive SR4.5 billion water desalination project at Jubail will be awarded in the coming weeks.

The Jubail desalination plant, which will be the largest in the world, will produce 130 million gallons of drinking water and 21 megawatts of power, the paper said.

The contract has been broken

Venture recovers ore from bed of Red Sea

JEDDAH, June 5 (SPA) — The Saudi Sudanese Commission for Exploration of Red Sea Minerals has announced the first successful test extraction of mineral deposits on the sea floor.

The deposits, found in the minerals-rich brines and muds, were extracted from a depth of 2,200 meters.

Sources at the commission said it was a singular achievement not

only for the two countries but for the world at large since "this is the first time any company or government has successfully extracted minerals from the sea floor."

The next step will be to evaluate the economic value of the deposits and to draw up a plan for their exploitation, the sources said.

A party will be given on board the American drilling ship Sido 445 to celebrate the occasion next Saturday.

The Commission, which has a capital of \$100 million subscribed entirely by Saudi Arabia, started operations two years ago.

Taher to launch 1st LPG tanker

JEDDAH, June 5 (SPA) — Governor of Petroleum Dr. Abdul Hadi Taher left here for Paris Tuesday to attend the Marseilles launching of the first liquefied petroleum gas tanker to fly the Saudi colors. Dr. Taher will also visit Britain to chair a seminar on world energy at Oxford University next Saturday.

Finance Minister Tengku Razaleigh Hamzah signed for the

Malaysia is granted \$30m in loans from Saudi fund

KUALA LUMPUR, June 5 (AP) — Malaysia signed loan agreements for a total of \$30.2 million with the Saudi Fund for Development Tuesday to help finance a settlement project in Panang and the five junior science college projects.

Finance Minister Tengku Razaleigh Hamzah signed for the

Malaysian government while Dr. Khaled Masud, managing director, signed for the fund.

The loan for the settlement project, \$23.5 million is repayable over a period of 25 years, including a grace period of 15 years, and carries an annual charge of 4 per cent.

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OPEC conference this month

Iraq seeking to protect Third World on oil

BAGHDAD, June 5 (R) — Iraq will press a two-part proposal to cushion developing countries against the effects of higher oil prices and inflation.

The Iraqis will make their move at the Geneva conference of oil-exporting states later this month. A senior oil ministry official said that contacts with other members of the Organization of

Petroleum Exporting Countries (OPEC) showed support for the proposal.

Under the plan, oil-exporting countries would bind themselves to increase their aid to developing countries in proportion to any increase in the oil price while industrialized oil-importing countries would increase their aid to match their domestic inflation.

Mauritania's new government reviews policy toward Sahara

NOUAKCHOTT, June 5 (R) — Mauritania's new government met Monday to review its policy toward the Western Sahara conflict, the apparent cause of Sidiy's resignation of President Houssain Ould Muhamed Ali.

Reliable sources said Lt. Col. Ali replaced as president by Lt. Col. Ahmad Mahmoud Ould Ali, resigned after the country's ruling 19-man supreme military council rejected his policy of seek-

ing peace with the Algerian-backed Polisario guerrillas.

The sources said that with 8,000 Moroccan troops still stationed in Mauritania in spite of a truce in the Sahara war, they feared the repercussions of Salek's plan to renounce publicly Mauritania's claim to its part of the Sahara, ceded by Spain to Morocco and Mauritania in 1976.

Algeria has rejected the division of the Sahara between Morocco and Mauritania and

Syrian troops exercise

DAMASCUS, June 5 (AP) — Syrian forces Monday conducted military exercises somewhere in Syria, the official Syrian Arab News Agency (SANA) reported.

Syrian Defense Minister Lt. Gen. Mustafa Tlass, who supervised the maneuvers, praised the "fighting capabilities and combat readiness" of the troops involved in the war games, the agency said.

Tlass called on officers and soldiers of the Syrian Armed Forces to be always "ready for the decisive battle against the enemy to liberate the occupied Arab territories, especially Jerusalem," the agency added.

Iraq first put forward in proposal at the recent United Nations Conference on Trade and Development (UNCTAD) in Manila where the issue of rising oil prices proved a major stumbling block.

Dr. Awani Al-Ani, director general of foreign relations at the Oil Ministry, said Monday that Iraq hoped that the OPEC ministers

meeting in Geneva on June 26 would adopt a long-standing proposal for oil prices to be denominated in a basket of major international currencies instead of dollars.

This would cushion oil-exporting states against the effects of inflation in the West and Japan.

Countries like Iraq have frequently defended the demands for big oil price rises by pointing to the cost to their economies of paying inflated prices for Western technology.

Iraq, long a hawk among OPEC states in pushing for price rises of 20 per cent or more, has recently emerged as a champion of an orderly pricing policy.

It wants an end to the welter of premiums being charged unilaterally by various oil states taking advantage of the world shortage of oil that has followed the Iranian revolution.

"We don't want to abuse a situation in which you can sell crude for 40 dollars on the spot market if you want," Al-Ani said.

"We have always asked for increases based on inflation and devaluation, but to jump prices because of temporary circumstances is not in the interests of OPEC."

He said Iraq hoped there would again be a standard marker price for OPEC crude after the Geneva meeting, but would not say what Iraq thought it should be.

Asked about reports abroad that vast new reserves of oil had been discovered in the Rumailah field in southern Iraq, Al-Ani said that his ministry's policy was to be extremely cautious in estimating reserves.

But, he added with a smile: "We have good hopes."



ON GUARD : A supporter of Iran's revolutionary Islamic government, hooded against identification by Iranian Arabs, on guard in Khorramshahr last week. The city was reported to be in the hands of the central government forces after three days of bitter clashes with disgruntled Arabs seeking autonomy and a greater share in the oil industry.

Iraqi Embassy said under siege in Aden

NICOSIA, June 5 (Agencies)

— Baghdad radio reported Tuesday that its embassy in South Yemen was under siege by heavily armed troops following the assassination of an Iraqi lecturer in Aden.

The Aden government has accused Iraq of being behind the killing of Tewlik Rustidi and demanded the killers be turned over by the Iraqi Embassy.

Baghdad radio said South Yemen's Foreign Minister Muhammad Saleh Mutee had warned Iraqi Ambassador Faez Asani that the embassy would be stormed unless the demands are met.

The radio said the Iraqi Foreign Ministry had denied that any embassy employees were involved in an abortive assassination attempt against the presidents of the two Yemens.

Abdulghani was quoted in the Iraqi daily "Al Jumhuria" as saying that the summit meeting between the two presidents was not, as reported, canceled because of any plot according to the agency.

Abdulghani, however, gave no reason for the cancellation. The prime minister ended a brief visit to Iraq Tuesday.

ing was the work of an unidentified group intent to harm relations between the two countries.

Meanwhile at the United Nations South Yemen said Monday it has protested to Iraq over the alleged murder by Iraqi security men of the Iraqi professor.

Murder attempt against Saleh, Ismail denied

BAGHDAD, June 5 (AP) — North Yemen's Prime Minister Abdulaziz Abdulghani denied Tuesday a Beirut press report of an abortive assassination attempt against the presidents of the two Yemens.

Abdulghani was quoted in the Iraqi daily "Al Jumhuria" as saying that the summit meeting between the two presidents was not, as reported, canceled because of any plot according to the agency.

Abdulghani, however, gave no reason for the cancellation. The prime minister ended a brief visit to Iraq Tuesday.

Turkey, Greece sign first tourism cooperation pact

ATHENS, June 5 (AP) — Greece and Turkey Tuesday signed their first ever tourism cooperation accord, also marking the first agreement of any kind between the two hostile neighbors since 1971.

The agreement was signed between Greek Tourism Secretary-General Panayiotis Lambrias and visiting Turkish Minister of Information and Tourism, Dr. Alek Coskun. The visitor was repaying a trip to Turkey made earlier this year by Lambrias.

A Greek tourist office spokesman said the two sides agreed to form a mixed committee to promote tourism between them in general, and particularly in the sea domain such as Eastern Aegean Sea.

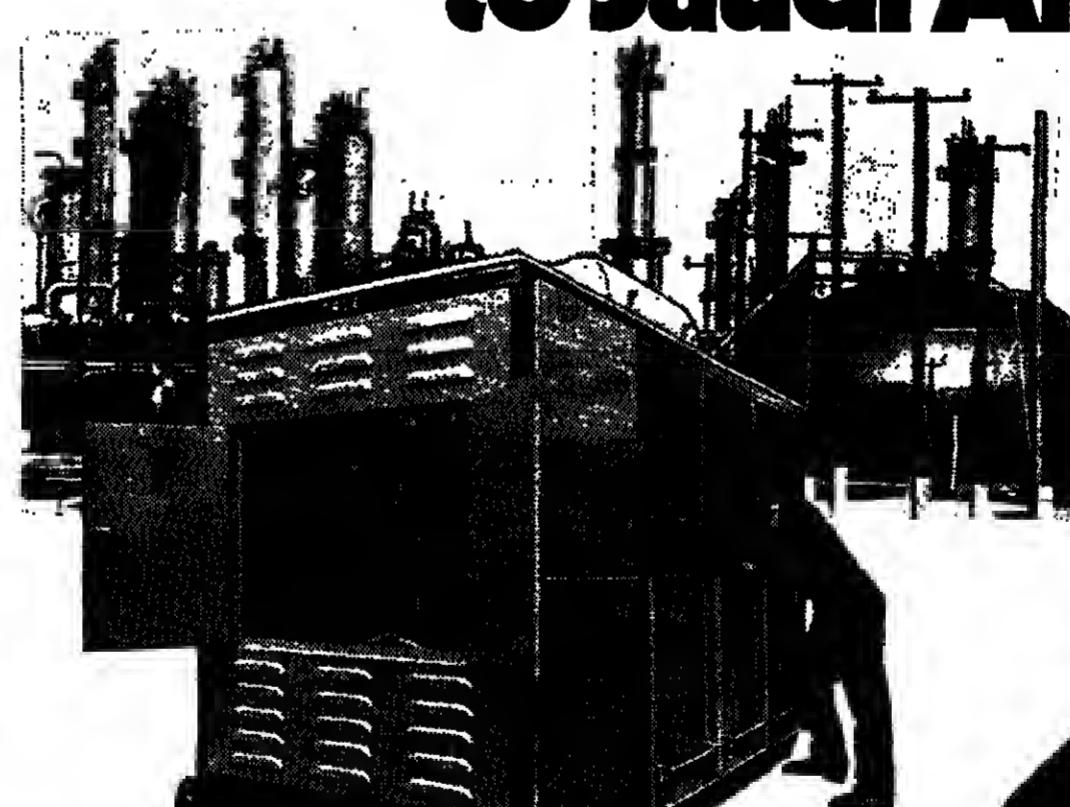
The agreement also specifies that the two countries should exchange tourism publications and films, and simplify traveling procedures for tourists moving between their borders.

Greece and Turkey have tourism potential, which has however often been upset by the friction prevailing between them.

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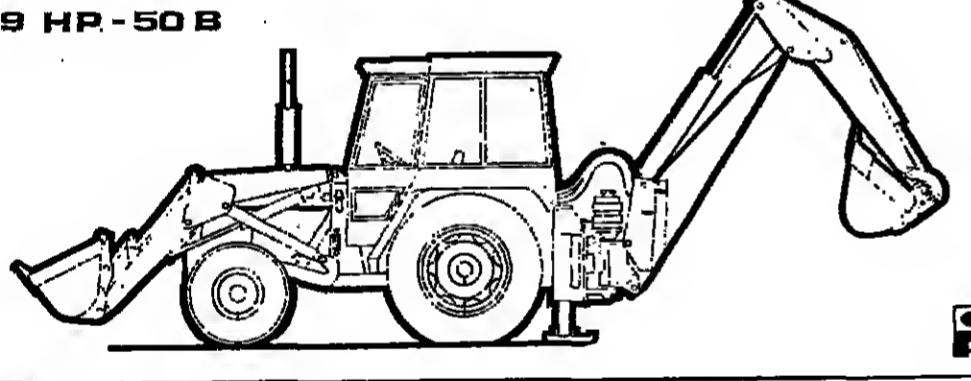
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Vorster's fall delights blacks, liberals

JOHANNESBURG, June 5 (R) — Shaken by the humiliating resignation of President John Vorster Monday in South Africa's "slush funds" scandal, the government Wednesday faces a crucial test of its public standing in parliamentary election.

Ironically, the election, at nearby Randfontein, has been forced by the resignation of one of the principal figures in the scandal, former cabinet minister Connie Mulder.

The government had hoped to delay the release of the latest official report on the scandal until after the vote.

But Monday's publication of the report, and its condemnation of Vorster for covering up the scandal, will give the public a chance to express its feelings about the affair.

The leader of the opposition New Republic Party, Vause Raw, said in a statement Monday night that the Erasmus Report had exposed a nightmare of lack of control and maladministration which allowed corruption to flourish.

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Urging people to vote against the National Party, Raw said it presented an opportunity for voters to pronounce their judgment.

Black leaders Tuesday greeted the resignation of Vorster with enthusiasm, with many insisting that other National Party leaders

also quit to force changes in the system that would improve the lot of blacks.

One black lecturer insisted the resignation "is not sufficient. Let the whole government resign."

The liberal English-language, "Rand Daily Mail," predicted that the psychological impact of Vorster's fall "will be immense."

John Vorster commanded a position of unrivaled pre-eminence among his people. He dominated the scene as no one before him, commanding a loyalty and admiration which was formidable. He was the Afrikaners' de Gaulle."

The newspaper said Vorster "did more than anyone else to violate the rule of law and trample on the institutions and practices of democracy of South Africa — first as minister of justice, then as prime minister."

Laundered funds to U.S. magnate

Study details Pretoria's media infiltration

JOHANNESBURG, June 5

(AP) — American publisher John McGoff received loans totaling \$11,350,000 from a secret South African propaganda fund for attempts to buy into American newspapers and a British television news service, a government

report said Monday.

The final report of the Erasmus Commission into the far-flung "Muldergate" scandal said that \$6,350,000 of the loan was still missing and "no one knows what happened" to it.

In a lengthy chapter on McGoff's connections with the now-defunct Information Department, the commission said that the initial loan of \$10 million was given McGoff in 1974 to support his bid to buy the "Washington Star."

The money was passed to McGoff in the guise of a loan from a Swiss bank. The "Star" deal fell through but McGoff, apparently without South African permission, used \$6 million of the loan to buy the "Sacramento Union."

Because the project was so sensitive, however, the idea was to channel the funds from Thesaurus to McGoff in such a way that it would appear to be a legal foreign loan," the commission said.

The loan was thus made to appear interest-free from Thesaurus.

McGoff visited South Africa and talked to Eschel Rhodie, head of the information projects and now a fugitive abroad, about using some of the \$10 million to buy the "Sacramento Union."

Rhodie told the commission he agreed only to let McGoff use interest from the loan.

The \$10 million was transferred in September 1974 to the Union Bank of Switzerland in Zurich, then to Thesaurus Continental Securities Corp., a subsidiary of Union Bank, and through Thesaurus to McGoff's Global Communications.

"McGoff visited South Africa and talked to Eschel Rhodie, head of the information projects and now a fugitive abroad, about using some of the \$10 million to buy the "Sacramento Union."

Rhodie told the commission he agreed only to let McGoff use interest from the loan.

McGoff, 54, is president of Panax Corp., which owns six daily newspapers in Michigan and more than 40 weeklies. He also heads Global Communications, which owns two daily newspapers in California and the 50 per cent share in UPITIN.

Tracing McGoff's links with the Information Department, the Erasmus Commission said the conservative publisher first visited South Africa in 1968 and "discovered an affinity with South Africa and her people..." His host was Les de Villiers, a senior official of the Information Department.

The report described McGoff as a personal friend of former Presidents Richard Nixon and Gerald Ford and said he arranged a meeting between the South African information minister and Ford when the latter was vice president.

In 1974, the commission said, McGoff approached the Information Department about trying to buy the "Washington Star." The proposed deal was for South Africa to provide \$10 million and McGoff would put up \$15 million.

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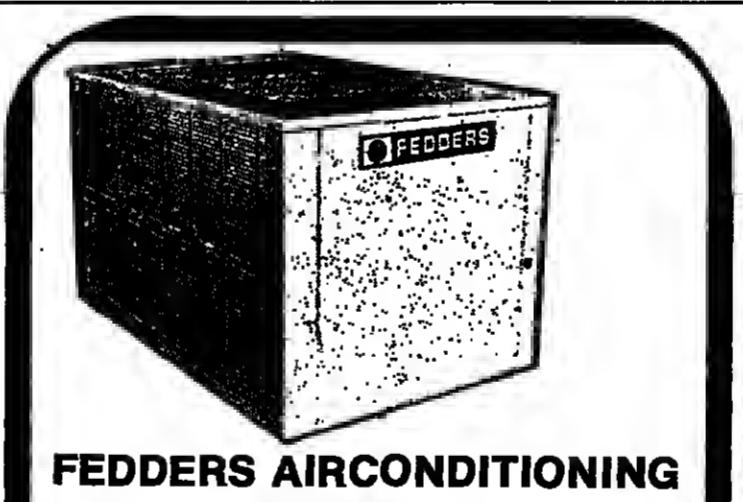
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More groundings ordered

Cracks found in DC-10 wings

WASHINGTON, June 5 (AP) — Federal officials, concerned that improper maintenance procedures may have produced a crack and led to the nation's worst air crash, have grounded nearly two dozen DC-10s.

The grounding was ordered after similar cracks were discovered in two jets that had gone through the same procedure.

They were found during inspections ordered by the Federal Aviation Administration after the Chicago crash of American Airlines Flight 191, which went down after an engine fell off May 25. On March 30, that DC-10 had undergone the same "engine removal and reinstallation procedure" that apparently led to the cracks in the other two planes.

The engine removal and reinstallation on all three planes was

part of routine maintenance, the FAA order said.

Ed Slattery of the National Transportation Safety Board said it was conceivable the "existing crack" could have caused the failure of the pylon assembly holding the engine to the wing on Flight 191, but the board had not yet reached a conclusion on a specific cause.

Only those U.S.-registered DC-10s which have had their engine pylons removed and reinstalled after completion of the most recent FAA-ordered inspection are affected by the directive, said FAA official John Leyden. He estimated that fewer than 20 of the 137 DC-10s may be covered by the action, the third grounding in a week for some.

The cracks were found in the aft attachment points of the pylons, or engine mounts. Slattery did not

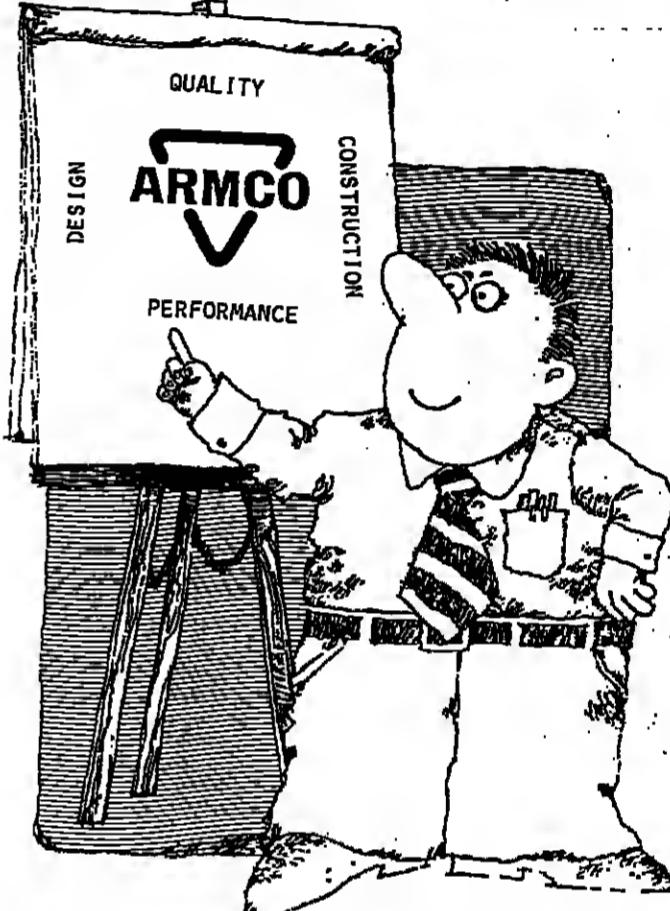
believe the Chicago accident, caused by the crack discovered in the pylon of the downed plane, was serious enough to require inspection.

Investigators found a 11/16-inch crack in the aft attachment of the pylon that separated the engine that fell from American Airlines plane Chicago. Similar flaws were found in the other two planes.

The Board said the cracks in the latter two planes were a result of damage caused during routine maintenance because personnel used improper procedures in removing the engine and its mounts. It urged immediate inspection of all planes hand in this manner and recommended that in the future the two sections be removed separately, as specified in manuals.

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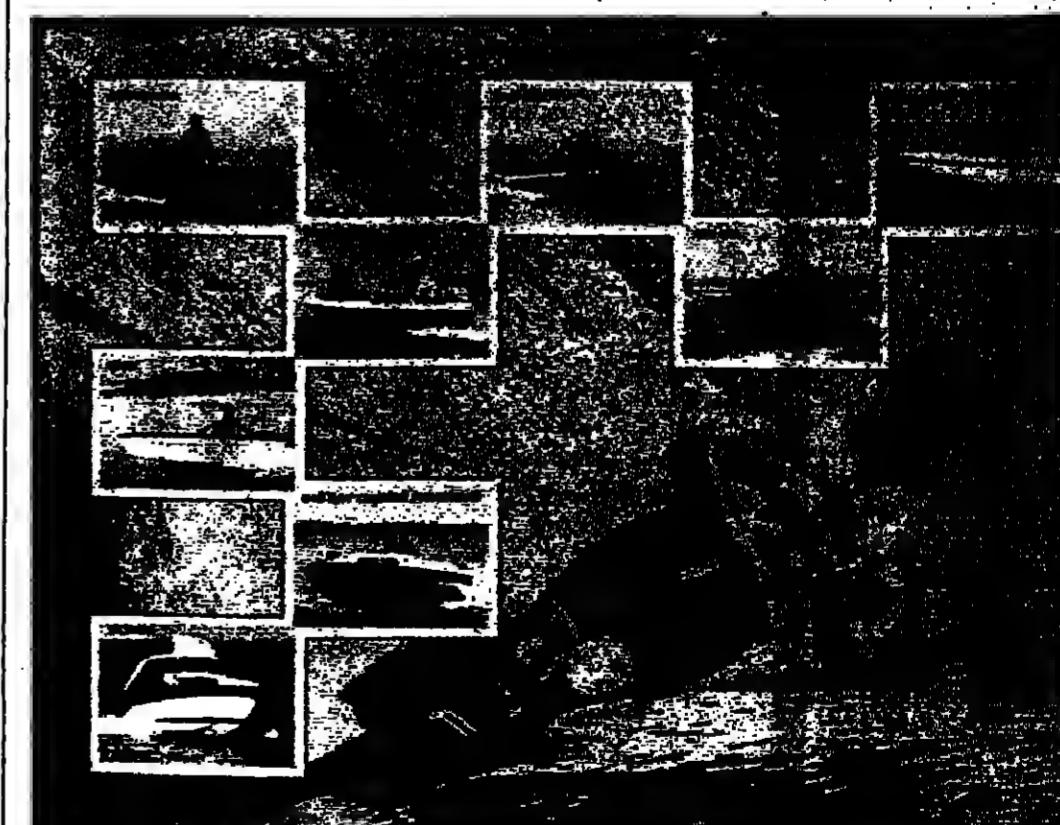
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Carter told of Europe's worry over oil import subsidy scheme

WASHINGTON, June 5 (Agencies) — French Foreign Minister Jean Francois-Poncet told President Carter Monday that European countries were seriously concerned about American moves to secure a greater share of world supplies by subsidizing heating oil imports, as Chancellor Helmut Schmidt left Tuesday for talks with Carter in Washington.

After his meeting with Carter, Francois-Poncet told reporters that the American decision would drive up world oil prices.

The White House meeting was dominated by discussion of an Energy Department ruling announced last week providing \$5 a barrel government "entitlement" on imported heating and diesel oil.

The declared aim of the move, which the United States denies is a government subsidy, is to build up domestic home heating and diesel oil stocks.

In a prepared statement the French minister said: "As president of the Council of Ministers of the European Communities, I told him (Carter) of the serious preoccupation felt in Europe regarding the decision."

"This decision tends to divert towards the United States a larger share of the oil sold on the world market."

Energy Department officials have said their decision was necessary to channel supplies from the Caribbean and Canada to the American market.

Energy problems are likely to

U.S. prosecutors probing suspected oil crime cases

WASHINGTON, June 5 (AP) U.S. federal prosecutors are pursuing 39 cases of suspected criminal wrongdoing in the oil industry, a top U.S. Justice Department official told Congress Monday.

John Keeney, a U.S. deputy assistant attorney general, said that in the majority of the cases, lawyers "have been proceeding

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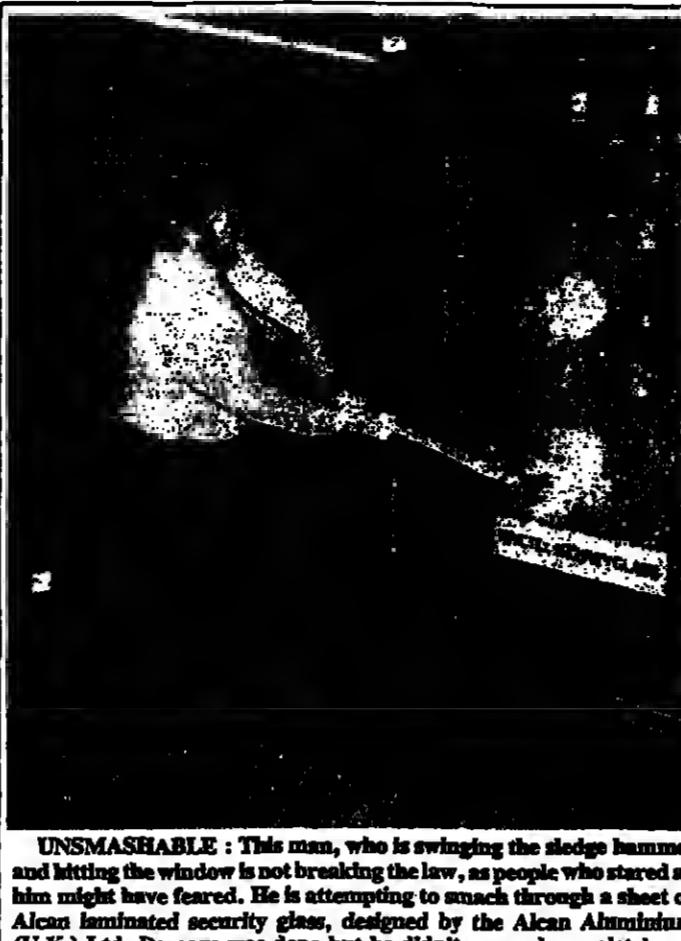
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Wall Street

Trading remains positive

NEW YORK, June 5 — The market remained steady in positive territory throughout Monday. The Dow Jones industrial average gained .69, transports rose 1.41, and utilities added .37. Volume of trading for the day was 24.1 million shares. Breadth was on the positive side as advances led decliners by 18 issues. The American Exchange Index gained 1.25.

He said that the United States and France agree on the major points of policy toward Lebanon.

"We discussed the problems of helping Lebanon toward a political roundtable and unity," he said.

Carter is due to meet Schmidt Wednesday. They will also discuss this month's seven-nation summit conference in Tokyo.

Growth and glamor followed

the DJIA with Abbott Labs up $\frac{1}{2}$ to 31, Merck gained $\frac{1}{2}$ to 63%, IBM lost $\frac{1}{2}$ to 75%, Motorola fell $\frac{1}{2}$ to 43%, and Philip Morris fell $\frac{1}{2}$ to 31%.

Energy issues turned in a positive performance with Cities Service up $\frac{1}{2}$ to 64%, Mesa Pete gained $\frac{1}{2}$ to 43%, Exxon rose $\frac{1}{2}$ to 50%, and Houghton gained 1% to 52%.

In the basic industry sector, DuPont off $\frac{1}{2}$ to 125%, International Paper added $\frac{1}{2}$ to 42%, Weyerhaeuser gained 1% to 29%, and U.S. Gypsum lost $\frac{1}{2}$ to 28.

U.S. auto and machinery issues were little changed with Caterpillar adding $\frac{1}{2}$ to 55%, Deere lost $\frac{1}{2}$ to 34 and Joy Manufacturing gained $\frac{1}{2}$ to 31.

Among the aerospace, airlines and rails, Raytheon gained $\frac{1}{2}$ to 45 $\frac{1}{2}$, Delta rose $\frac{1}{2}$ to 40%, Burlington Nor. up 1 to 17 $\frac{1}{2}$ and Southern added $\frac{1}{2}$ to 54.

Electrical equipment and metals were mixed with General Electric up $\frac{1}{2}$ to 49 $\frac{1}{2}$, Alcan lost $\frac{1}{2}$ to 34, Kaiser added $\frac{1}{2}$ to 19 $\frac{1}{2}$ and St. Joe Mineral up $\frac{1}{2}$ to 27.

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Peace pact may weaken Israel ban, expert says

AMMAN, June 5 (R) — The Egyptian-Israeli peace treaty can break the 31-year-old economic boycott imposed on the Jewish state by the Arabs, a leading Iraqi economist has said.

Fakhr Kaddouri, secretary-general of the Council for Arab Economic Unity, Monday told a council here that this could come about since the treaty made Egypt a vital market for the Israeli economy.

The pact, he explained, links Israeli withdrawal from Sinai with the establishment of normal economic and political relations between Cairo and Tel Aviv.

The boycott dates back to the creation of Israel in 1948.

Kaddouri called for a tightening of the boycott and warned that the treaty threatened Arab economic unity.

The secretary-general urged new measures against the Egyptian government at the 11-member council's first meeting in the Jordanian capital since its headquarters was transferred here after the signing of the treaty.

FOREIGN EXCHANGE RATES

Opening Tuesday	SAMA rate	Cash	Transfer
U.S. Dollar	3.40	3.41	3.41
Pound Sterling	7.06	7.10	7.10
Deutsche Mark (100)	178.00	178.50	177.30
Swiss F (100)	1.98.00	197.50	197.25
French F (100)	77.00	77.25	77.10
Italian Lira (1000)	4.00	4.02	4.01
Lebanese Lira (100)	—	104.00	104.00
Syrian Lira (100)	—	76.50	87.50
Egyptian Pound	—	4.63	4.57
Kuwaiti Dinar	—	12.25	12.22
Jordanian Dinar	—	11.13	11.10
Emirates Dirham (100)	—	88.00	88.75
Qatari Riyal (100)	—	91.00	90.55
Bahraini Dinar	—	8.90	8.90
Iranian Riyal (100)	—	—	—
Iraqi Dinar	9.25	—	—
Yemeni Riyal (100)	—	74.75	74.65
Moroccan Dirham (100)	—	76.50	87.50
Indian Rupee (100)	—	—	41.55
Pakistani Rupee (100)	—	—	34.55
Gold kg	—	30,450	—
10 Tolas bar	—	3,550	—
Silver kg bar	—	1,000	—
Japanese yen (100)	1.55	—	—
Canadian dollar	2.31	—	—
Belgian franc (10)	1.10	—	—
Dutch guilder	1.63	—	—

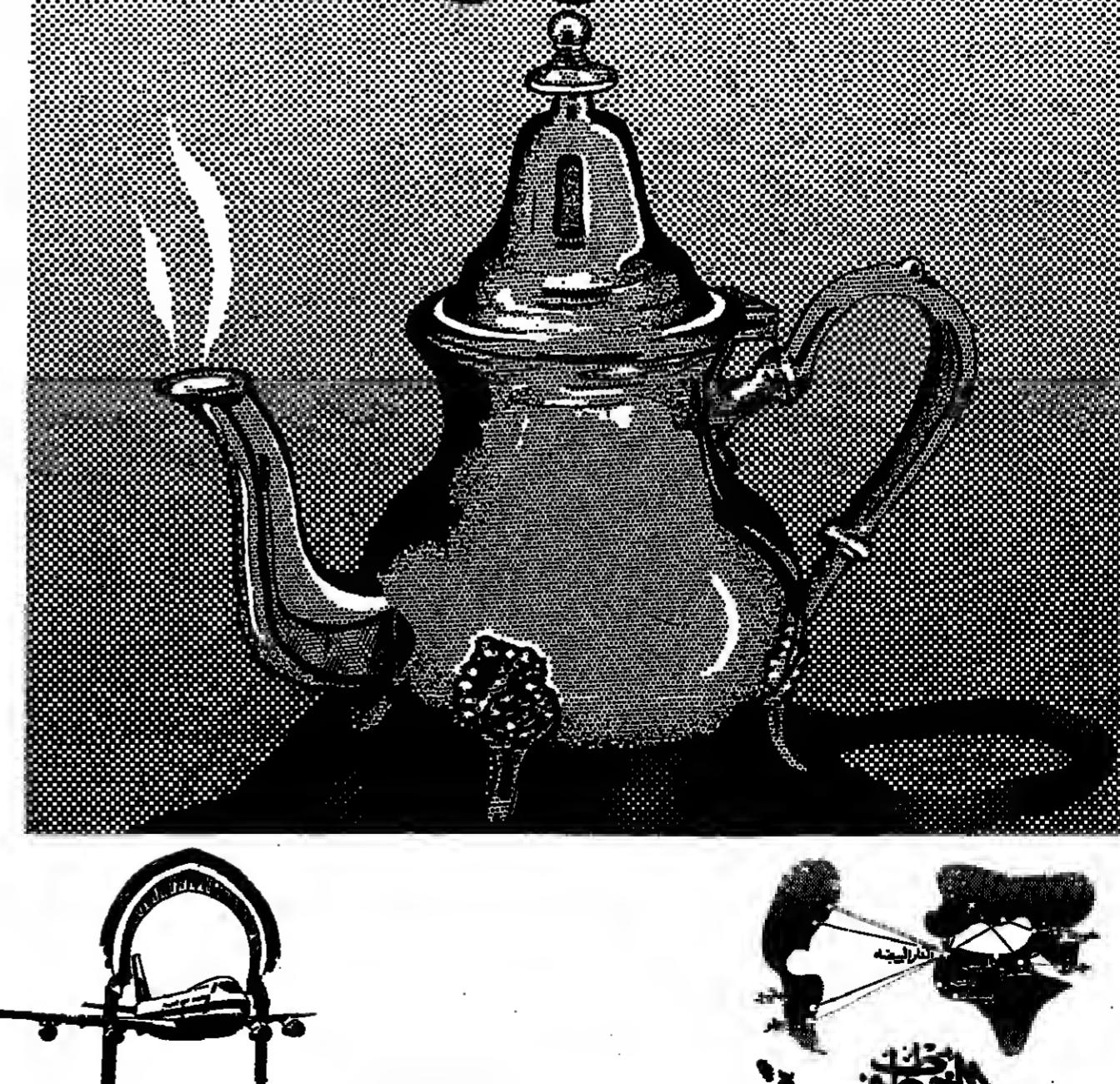
SAMA rates announced by the Saudi Arabian Monetary Agency, based on average rates on the London money market and the official price of the U.S. dollar.

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Municipality of Tabuk	Cleaning of the city	—	800	July 2
Directorate of the National Guard	Constructing of a residential building for the Guard's personnel in Khashim Al-Aan	22-98/99	2000	June 12
Ministry of the Interior, Deptt. of Traffic	Supply of graphic and engineering equipment	9-99/1400	100	June 10
Municipality of Khairab	Illuminating of roads with suspension lamps	1-99/1400	50	June 16
Directorate General of Meteorology	Equipment for the observatory at Abha airport	2	1000	July 8
Capital's Model Institute	Constructing of a sports stadium at the institute	3	2800	July 7

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M.E. CONCESSIONS

The farcical exchange between Israeli Foreign Minister Moshe Dayan and Egypt's Minister of State for Foreign Affairs Butros Ghali is the political equivalent of a third-rate wrestling match. It is hardly convincing.

While talking of compromise, Dayan boasted that Israel will not endorse or allow the establishment of a Palestinian state, and that Jerusalem will remain "the united capital of Israel." He also reminded Ghali and his compatriots that the Jewish state will pursue its "right" to build more settlements in occupied territory.

Ghali disagreed "completely" with Dayan's point of view. But, in spite of that, he maintained his belief that "through negotiations and more negotiations, we will overcome all difficulties."

We don't question that.

But in the Egyptian view, negotiations have become synonymous with compromise, and there is every reason to believe that the negotiations will see Egypt accepting Israel's terms. "All the difficulties" will be overcome. The question is at whose expense?

The Egyptian president has backed down from all his public definitions of his vision of Middle East peace. It is too agonizing to repeat them against what is now being peddled as peace. The Egyptian leader, throughout his offensive leading up to the Camp David accords, insisted that he would not accept a separate treaty, would not abandon the Palestinians, would not establish relations with Israel until a comprehensive peace was achieved, would not...

The list was endless. Unfortunately, the commitment to it was not.

On almost all the issues negotiated, Egypt has conceded long-held principles and promises.

Egypt has now entered negotiations on Palestinian autonomy, and judging by its track record, it is possible that the Palestinians — even in their present unenviable position — are better off left alone. For their case would then remain an open one with no risk of another Egyptian-Israeli deal to seal their future.

Egypt is now attempting to make a trade-off with something that does not belong to it.

It would be far wiser to leave things as they are. Egypt's self-proclaimed patronage over the Palestinians and their future is uncalled for and dangerous.

Egypt has shown an alarming generosity in its dealings with Israel and it will no doubt retain its mood in negotiations over the future of the Palestinians. But enough damage has been done in the name of peace and compassion for Palestinians and Arabs. Let's leave it at that.

"THE GOOD NEWS IS THAT OUR ECONOMISTS THINK A RECESSION MAY BE UNDER WAY"



Flaunting the SALT accord

By Robert Kaiser

WASHINGTON

Despite earlier American complaints about the practice, the Soviet Union recently again encoded radio signals from a test flight of one of its SS-18 intercontinental missiles in an apparent attempt to deny intelligence information to the United States.

News of this incident of what the experts call "encryption of telemetry" was leaked in Washington by persons hostile to the new Strategic Arms Limitation Treaty with the Soviet Union. One such source said the incident was a serious example of Soviet deceit and American weakness in dealing with the Russians.

Carter administration officials said they also perceived a serious example, but they called it an example of "irresponsible leaking." The recent incident was not related to a new agreement with the Soviets — to send uncoded radio messages from rocket tests — that is relevant to verification of the SALT agreements, the officials insisted.

The first account of the incident to surface publicly came from John Lofton, a conservative journalist, who asked a question at a White House briefing about a recent SS-18 test in which, he said, 29 of 31 radio channels sending information on the test back to earth had been put into code by the Soviets.

Several hours after Lofton asked his question — which White House officials declined to answer — a Senate aide critical of SALT 11 called a reporter to say there was a good story behind Lofton's query. Later the same aide volunteered some details.

George Will, a columnist who has written critically of SALT, later referred to the test in a question he asked in "Meet the Press."

According to senior administration officials, the incident occurred in early April, and involved one or two SS-18 tests. Different senior officials remembered the number differently.

The test or tests were repeats of similar Soviet experiments last July 29 and Dec. 21, the sources said.

All these tests involved a warhead for the SS-18, the Soviet's biggest missile that carries just one large thermonuclear weapon. "The Soviets have been having trouble with that warhead," one source said.

Until last July the Soviets had left the complex stream of information radioed back to earth from its

rocket tests uncoded, and U.S. intelligence could pick it up with relative ease. In a test flight more than 1,000 channels of radio information are sent back to earth, reporting on the functioning of every aspect of the rocket and warhead during its flight.

In these three SS-18 test episodes, however, the Soviets put into code all the information coming from the reentry vehicle, which carries a rocket warhead or warheads back into the earth's atmosphere after its flight through space.

This concerned the U.S. SALT 11 negotiators, and led to prolonged discussions with the Soviet side. Finally, the Soviets accepted the American position that encoding these radio messages would be prohibited under SALT 11 if the messages in question relate to a new or modified ballistic missile.

Those who first publicly revealed the latest incident of encoding on an SS-18 test suggested that the Soviets were flaunting whatever new agreement had been reached. The Senate aide critical of SALT who suggested pursuing the story said the Russians once again had taken advantage of an American government overeager to patch together a SALT agreement.

The administration disagreed sharply. It was said in a high level that the recent SS-18 test came before the two sides had reached an agreement on the encoding issue. Moreover, the United States didn't care whether the test data of an old system like this SS-18 was encoded "as the official put it."

The important question, officials said, was encoding telemetry from tests of new or modified missiles, since SALT 11 includes restraints on the introduction of modifications or new systems. U.S. eavesdropping devices and spy satellites can identify a familiar test of an old system even if some telemetry is encoded, the officials said.

"The Russians accept our position in new and modified missiles," one official said. "That's what matters."

The skeptical Senate aide disagreed, and also suggested that the April incident was more significant than portrayed by the administration. The Senate aide questioned whether the United States can be sure a test involved an old missile system if some of the tell-tale information on the test was hidden in a code.

No one involved in this story wanted his name to be mentioned in the paper. —(WP)

Evictions in El Arish

By Dial Torgerson

EL ARISH, Egypt

With deportations, evictions and investigations of collaborators, Egypt has resumed its administration of El Arish, provincial capital of the Sinai peninsula.

Even before Israel formally ended its occupation here last Friday the Egyptians had ordered the deportation of 154 Palestinian families — perhaps 1,000 persons — who had come to El Arish from the Israeli-held Gaza Strip.

Egypt gave no explanation of why the Palestinians were deported. However, the reason was believed to be either an extreme shortage of good housing in El Arish or because the Palestinians had come here from Israeli-controlled territory.

And, though Begin and Sadat announced that there would be an open border between Israel and Egypt, the people of El Arish have been told quite that it will not apply to them.

About 5,000 El Arish residents have returned to

Egypt. Egyptian authorities inherited a difficult situation when the Israelis withdrew. Many of thousands of El Arish people who fled to Egypt during the Israeli conquest of 1967 now want to return, but their homes have been taken over by people who did not leave.

The Egyptian administrators who were taking over the city — having arrived several days before their official takeover — began ordering out the Palestinians and Bedouins. The Bedouins had come to El Arish from the Sinai Desert to share in the jobs and houses available there after the Israeli took control. The Palestinians — originally displaced in the 1948 Arab-Israeli war — had moved from the Gaza Strip.

About half the Palestinians deported had arrived here between 1967 and 1971, and the rest in 1971 when the Israeli military government widened its no-holds-through-the-Gaza-camps into broad avenues, simplifying security but making hundreds homeless. The Israelis allowed those who had homes to move to El Arish or to new homes in Gaza outside the camps. —(LAT)

France and the new Europe

By Ronald Koven

PARIS

A radical change in the French political landscape, with the Centrist followers of President Valery Giscard d'Estaing teaming up with the Socialists and the Gaullists joining the Communists in opposition, is an idea whose time may be coming, the European election campaign has demonstrated.

The French political world was so startled by results of a poll showing that this is what the voters would like, that the results became the prime topic of conversation in Paris political circles even before their publication.

The poll by the pro-Socialist newspaper "Le Matin" showed that 69 percent of Giscard voters would like to drop Gaullists from the government coalition and replace them with the Socialists. Only 17 percent opposed the idea among Socialist voters, perhaps even more surprisingly, 52 percent favored dropping unity efforts with the Communists and teaming up with the Giscardists. This was opposed by 28 percent of the Socialists.

It has been an article of faith among the Socialists that their party's sharp decline in the 1960s was a direct result of the late Premier Guy Mollet's leading them into anti-Communist third-force coalitions that ruined the Socialist image as a leftist party.

The "Matin" poll explicitly linked the prospect of a political realignment to the issue of Europe.

After Giscard returned from a state visit to the Soviet Union recently, he invited French Communist leader Georges Marchais and Socialist leader Francois Mitterrand to come to the Elysee palace for personal report on his Moscow talks, Mitterrand accepted and Marchais refused.

Giscard did not even invite Gaullist leader Jacques Chirac. Much to the publicly expressed horror of Gaullist moderates, including those in the cabinet, Chirac has publicly questioned whether Giscard can continue to claim "legitimacy" as president.

To French ears, that came across as a declaration of intent to unseat the president. "Legitimacy" was the key word that Charles de Gaulle used first against the legally established Vichy government that collaborated with the wartime German occupiers and later against the Fourth Republic that the Gaullists overthrew in 1958.

Chirac, French commentators almost universally agree, has effectively turned the European elections in France into the first round for the next presidential elections scheduled in 1981.

Mitterrand still makes ritual disclaimers on the steps of the Elysee that talking civilly with the president does not mean there has been any change in his opposition. Yet it is a constant paradoxical truth of French politics that the best way to destroy your opposition and keep it destroyed is adopt its policies.

At a Socialist Party conference in April, Mitterrand aligned with his party's pro-Communist left-

between Sadat and Israeli Prime Minister Menachem Begin noticed that crowds, which had been ecstatic Friday at the lowering of the Israeli flag, were smaller Sunday and their mood less enthusiastic. Most of the spectators were bedouin, not Egyptian.

One reason may have been the presence of thousands of soldiers, arrayed in the field, regularly favored for Egyptian military displays — including black boots and blue berets; a score of noisy motorcycle police as escort; khaki-clad troopers surrounding Begin's guest house by the Mediterranean, on every few yards, facing out. Who were they guarding Sadat from, some residents wondered, if not the Israeli-held Gaza Strip?

Egypt gave no explanation of why the Palestinians were deported. However, the reason was believed to be either an extreme shortage of good housing in El Arish or because the Palestinians had come here from Israeli-controlled territory.

And, though Begin and Sadat announced that there would be an open border between Israel and Egypt, the people of El Arish have been told quite that it will not apply to them.

About 5,000 El Arish residents have returned to

Egypt. Egyptian authorities had been expecting slow wage earners of El Arish to continue working in Israel to work. But, it was reported last week, they do not want them earning vastly more than those with an Israeli connection than workers in Egypt. The border will be closed to workers.

Egyptian authorities inherited a difficult situation when the Israelis withdrew. Many of thousands of El Arish people who fled to Egypt during the Israeli conquest of 1967 now want to return, but their homes have been taken over by people who did not leave.

The Egyptian administrators who were taking over the city — having arrived several days before their official takeover — began ordering out the Palestinians and Bedouins. The Bedouins had come to El Arish from the Sinai Desert to share in the jobs and houses available there after the Israeli took control.

Egyptian authorities inherited a difficult situation when the Israelis withdrew. Many of thousands of El Arish people who fled to Egypt during the Israeli conquest of 1967 now want to return, but their homes have been taken over by people who did not leave.

But, Mitterrand must handle any flirtation with

Giscard very gingerly since the two men probably are going to run against each other in the 1981 elections. Mitterrand must make sure that the Socialist list he heads in the European elections does well or almost as well as the Giscardist one, lest Socialist leader's prestige be damaged before a presidential campaign.

Giscard has taken a position above the fray, complaining that the party leaders have been attacking each other in a great "hurly-burly" without regard for the real issue of the elections, the future Europe.

But even Giscard, who always has given the impression of being a

مكتبة من الأصل



Ramada barbecue: a sell-out



Mint tea on the patio

High jinks at the poolside

By Barry Reynolds

DHAHRAN — The tables are set around a spacious patio that could easily hold 400. The diners have been served soft drinks and helped themselves to a hearty

barbecue that includes grilled U.S. steaks, Oriental kebab, chicken, corn-on-the-cob, baked potato, rice and a range of salads, sweets and fresh fruit.

The uninitiated at the Thursday-night barbecue at the

Ramada Inn may be perplexed about the purpose of a spring pole laid across the shimmering water of the hotel's swimming pool. Until the call comes for volunteers. Then about 15 guests step forward: some in thobes, others in business suits. One — obviously a repeat performance — is barefoot and wears cut-off jeans.

The maître d' calls for silence and one after the other the candidates step forward to try their luck — catwalking across the pole. All but one takes the plunge, and the diners love it. The lucky one who makes it across earns a free dinner for everyone on his table.

Later, a stout rope is thrown across the pool and two teams engage in a tug-of-war. The losers are again drenched, while the winners get a free meal. The evening closes with a draw for door prizes: two free meals, an expenses-paid weekend for two in Doha, and a score of offerings from the Ramada gift shop.

Ahmed Al-Dhobal, the hotel's sales manager, initiated the weekly "eveot" in April in an attempt to attract steady patrons in an increasingly competitive restaurant business here. It seems to have been a big success. At least one week the patio was full to capacity and a hundred would-be diners without reservations had to be turned away.

A big drawing card, beside the histrionics, is the price — SR35 for all you can eat, excluding soft drinks.

A Moroccan gentleman circulates through the patio serving delicious mint tea.

This lowest-price barbecue in town barely breaks even, but Ramada's general manager, Carl Donnelly explains: "We hope to attract luncheon customers to our

Falcon Room and to promote our other specials as well."

These include a "Lobster eveot" on Monday nights, with four lobster choices: Mornay, Madras, Thermidor and Belle View — for SR45. Another is Friday Brunch (SR 40 a head). It is designed for families, and parents can leave their children with

supervisors in an adjoining recreation center, to be fed separately and entertained by puppets and clowns, treasure hunts and games. Under-fives are free; five to ten-year-olds half the adult price.

"The idea," says Dhubai, "is to give the parents a peaceful Friday brunch — with entertainment for the kids as well."

LONDON — Wednesday is Derby Day at Epsom Downs, and Britain's post office is issuing this special set of stamps featuring horse racing through the ages, to coincide with the great race.

The stamps show reproductions in color of four famous paintings and aquatints by Sir Alfred Munnings (9p), F.C. Turner (10½p), J.N. Sartorius (11p) and Frank Barlow (13p).

books filled with the morning bids. Depending whether their trading rooms have an excess of buy or sell offers, the dealers offer alternative prices.

"Flag up!" a dealer calls when he wants to talk with his trading room. He stands up a British flag while he converses and puts it down when he is finished, so that haggling can continue.

Usually Robert Guy of Rothschilds, where gold has been traded since 1804, opens the meeting with a proposed price per ounce based on the morning volume of offers to buy and sell that his four dealers have received.

The other dealers pass the proposal to their trading rooms where other agents are in touch with customers and have order

"We believe each major market sets its prices by its own conditions," a Zurich banker commented.

Seventy-five to 90 per cent of the gold buyers these days are investors or speculators who are convinced that the metal, despite its awkwardness, is a better investment than an instrument denominated in currencies.

As the dollar has fallen in value, gold has risen. Recently the price for gold in the strongest currencies, German marks, Swiss francs and Japanese yen, have also risen, suggesting an even greater crisis of confidence by some investors in money.

Much of the business is done by dealers acting for unidentified customers, but there is also a substantial clientele of "goldbugs" who do their own buying. — (LAT)

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Comaneci wins two titles at Tokyo gymnastics meet

TOKYO, June 5 (AP) — Romania's Nadia Comaneci, 1979 European and 1976 Olympic gymnastics champion, won two of the women's four individual events — the vaulting and floor exercises — in the 1979 gymnastics World Cup Tokyo Championships Monday.

Before 12,000 spectators, the 17-year-old Comaneci won the floor exercises with a perfect 20.00 points. She scored 10.00 points each Monday and Sunday.

The Romanian star won the vaulting horse by scoring 9.80

Monday for a total of 19.70 points, and was second on the balance beam with 19.60.

Emilia Eberle of Romania won the women's balance beam with 19.70 points, 9.80 Sunday and 9.90 Monday. She also shared the uneven parallel bars title with Steffi Kraker of East Germany with 19.65 points. Eberle scored 9.80 Sunday and 9.85 Monday while Kraker had 9.85 and 9.80.

Soviet newcomer Stella Zakharkova, who won the women's combined individual event Sunday, placed second in the vaulting horse with 19.525 points and in the floor exercises with 19.95 points. The 15-year-old Zakharkova was third in uneven parallel bars with 19.55 points.

In the men's events, Alexander Dritskin of the Soviet Union, who won the men's combined individual events Sunday, captured the rings title with 19.40 points. He scored 9.65 Sunday and 9.75 Monday.

Bart Conner of the United States won the side horse title by

scoring 9.65 Sunday and 9.70 Monday for 19.35 points.

Shigeru Kasamatsu of Japan and Stoian Deltshev of Bulgaria shared the floor title with 19.45 points, both scoring 9.70 Sunday and 9.75 Monday. Fellow Japanese Eizo Kenmotsu captured the parallel bars title with 19.60 points. He had 9.80 both Sunday and Monday.

The men's vaulting horse title went to R. Baerher of East Germany, who had 9.75 Sunday and 9.775 Monday for a total of 19.525.

Eberhard Gienger of West Germany captured the horizontal bar title with 19.55 points. He scored 9.80 Sunday and 9.75 Monday.

The eight best gymnasts in each event of the combined Sunday competed for honors in individual events — four events for women and six for men.

Nikolai Andrianov, winner of the 1978 world gymnastic championships, did not come to Japan for the Tokyo Championships.



CORNADA : Matador Paco Albaladejo received two serious wounds in the thigh last week when he was gored in the Corrida di Fe di San Isidro in Madrid.

(AP photo)

PENSIVE : A thoughtful Nadia Comaneci prepares to put on her shoe before competing in Monday's events.

England fields tested side for Sofia tie

SOFIA, June 5 (R) — England is firm favorite to win Wednesday's European soccer championship Group One qualifying match against Bulgaria.

England manager Ron Greenwood Tuesday announced the same side that beat Scotland, 3-1, two weeks ago, with the addition of Peter Shilton as reserve goal-

Asian athletics want Israel to race elsewhere

TOKYO, June 5 (R) — The Asian Amateur Athletic Association (AAAA) has decided to call on International Amateur Athletic Association to move Israel, an AAAA member, to some other regional group, Japanese sources said Tuesday.

The IAAF suspended the governing bodies of athletics in 21 Asian countries for two months after they defied an IAAF ban on competing in the Asian Games in Bangkok last December. The IAAF banned the Games because Israel was not invited.

keeper because Ray Clemence again hurt his ankle in training and may not be able to play.

As expected, Greenwood decided to stick with a proved line-up and did not bring in Trevor Francis, England's first million-pound footballer, who was not available for the last international.

At the center of the English attack is Kevin Keegan, the European Footballer of the Year, who helped take SV Hamburg to the West German League championship this week.

England has lost only one of 16 internationals since Greenwood took over as manager, but apart from West Germany, the nation responsible for the single defeat, the opponents have not been top-flight national sides.

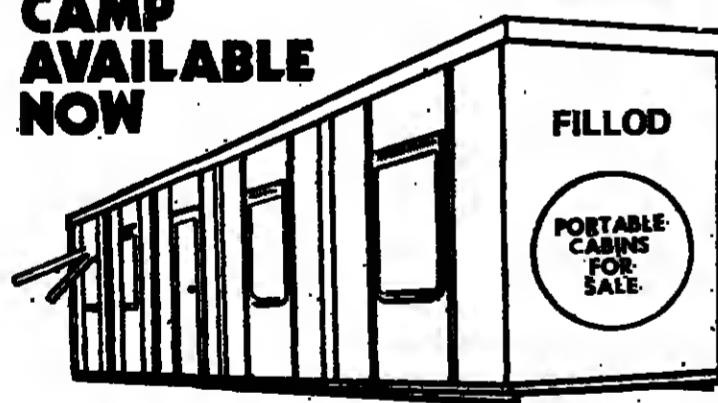
Bulgaria, with only two victories in the last two years, has used 32 different players in its last four games in an effort to find a successful combination.

One of Bulgaria's problems is that until last month it was fielding what amounted to two national sides, one for the Olympic Games qualifying rounds and the other for the European Championships.

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PRAYER TIMES

	Wednesday	Friday	Saturday	Sunday	Amer	Maghreb	Isha
Mecca	4:17	5:44	12:27	3:44	7:03	8:33	
Medina	4:04	5:30	12:26	3:47	7:09	8:39	
Nejd	3:38	5:11	11:58	3:20	6:41	8:11	

DHAHRAN TV

4:30 Childrens Show
 5:53 New Adv. of Huck Finn
 6:16 It's a Small World
 6:40 Chico and the Man
 7:06 I Spy
 8:00 Special: Hanna Barbera
 8:44 Quincy
 9:32 Channel Theater

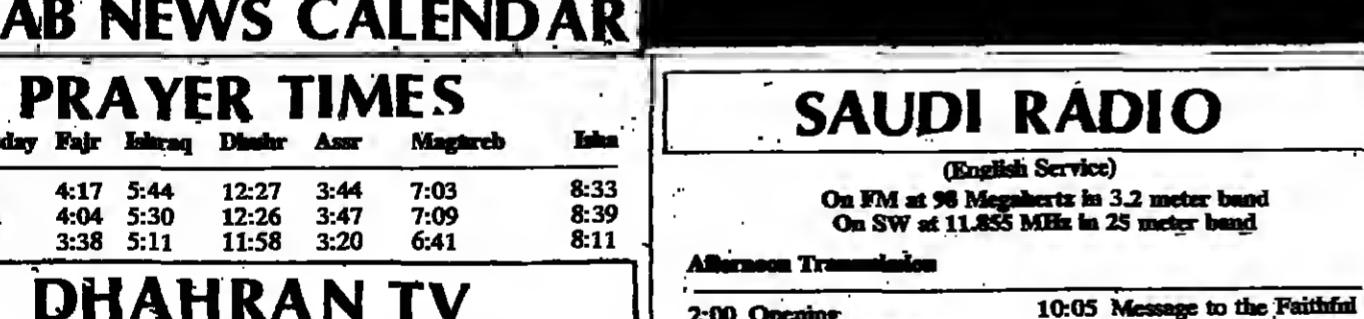
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 Mr. Noah's Mexico Too Many Crooks Turkish Delight Happy Hour: Linda Lavin A Night to Raise the dead Squeeze a Flower

WEATHER

Forecast for the next 24 hours:
 Fine weather over the summer resorts with a likelihood of scattered thunderstorms, moderate over the northwestern and western regions and humid over the western coast where surface winds are likely to blow westerly to northwesterly at light to moderate speed. The central and eastern regions will be hot, with surface winds blowing northeasterly to easterly at light to moderate speed.
 Sea conditions will be calm to moderate in the territorial waters.

***** Tuesday's temperatures (maximum, minimum in centigrade)

Mecca	39	29	Tabuk	34	20
Jeddah	37	28	Al-Jauf	36	20
Riyadh	45	32	Arar	40	22
Dhahran	47	28	Bisha	34	23
Medina	39	28	Sulayl	43	26
Taif	35	21	Abha	29	15



VOA

P.M.

- 10:05 Opinion: Analyses News Summary
- 10:30 VOC Magazine: American; Science; Cultural; Letter
- 11:00 Special English: News
- 11:30 Music USA: (Jazz)
- 12:00 News Newsmakers' voices correspondents • reports background features media comments news analyses.

Dennis the Menace



CROSSWORD PUZZLE

Crossword

by THOMAS JOSEPH

ACROSS

1 Evaluate

5 Encountered

10 Ancient

12 Turkish city

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Idumea

11 Genesis time

period

12 Atones for

14 Suffix

with exam

15 Messabi outpost

15 Summit

17 Starred

19 Nigerian

tribesman

20 Unit of light

energy

21 Stallone

film

22 Romp

25 Catacombs

sights

26 Freshly

27 - blimey!

28 Marker on the

links

29 Squawk

32 The guns

34 Songstress

Denise -

35 Tra fol-

lowers

36 Merchandis-

39 Curtain

call

40 Gdynia

citizen

41 Itsy-bitsy

CRAB SHINE

LEMA POLAND

ENOS EMBERS

FORSETI TILL

BEDS LINE

LATONIAGER

LIEUTENANT

LET GINO

EDIE JUNIOR

ARTAN RHEA

STEEVE ALINT

EDGAR TOTTO

Yesterday's Answer

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23 Amonement

21 Serving

25 French

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27 town

28 factory site

29 Grandeur

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30 Vampire

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Canadians affirm embassy to be set up in Jerusalem

OTTAWA, June 5 (R) — Canada's new government led by Prime Minister Joe Clark will stick to its pledge to move the Canadian Embassy to Israel from Tel Aviv to Jerusalem, according to External Affairs Minister Flora MacDonald.

But no date has been fixed. "We will have to have a briefing on what, and how, and when that can be done," she told reporters Monday after she and other members of Clark's cabinet were sworn in.

Clark made the pledge to move

the embassy to the occupied city of Jerusalem during the campaign for last month's general elections won by his Progressive Conservative Party.

"It will be done as Mr. Clark has indicated," Miss MacDonald said.

The promise provoked one Arab diplomat in Ottawa to say that if the move were carried out, Arab countries would have to strike back at Canada. He did not say how.

Canada's then prime minister,

Pierre Trudeau, condemned Clark's statement as an irresponsible and a provocative act in view of the delicate situation in the Middle East.

"The 53-year-old Miss MacDonald is the first woman to hold the foreign affairs portfolio in Canada.

Attacks

TEL AVIV, June 5 (R) — Defense Minister Ezer Weizman has denounced attacks by Jews on Palestinians in the Israeli-occupied West Bank town of Hebron.

Replying to a question in the Knesset (Parliament) Monday Weizman noted that a number of residents of the Jewish settlement of Kiryat Arba outside Hebron had already been detained.

Police arrested four settlers Sunday for questioning after Palestinians complained last week that Kiryat Arba settlers had broken into houses belonging to Palestinians and beaten up the inhabitants.

Weizman also called on Jewish women from Kiryat Arba who took over a former Jewish hospital in the center of Hebron five weeks ago to leave voluntarily.

He did not say what action would be taken if they refused government appeals to leave.

Chief Rabbi Shlomo Goren also

issued a statement Monday,

denouncing the action of what he termed a "hand of Jewish bulldozers" who had attacked Palestinians in Hebron.

500 bits will fall soon

Skylab is dangerous, NASA chief testifies

WASHINGTON, June 5 (R) — The National space agency said Monday there could be a one-in-152 chance of someone being injured when the giant Skylab space station breaks up and crashes to earth.

About 500 bits of debris, most under 4.5 kilos but two weighing more than 1,760 kilos, will rain down sometime between June 27 and July 21, National Aeronautics and Space Administration (NASA) Administrator Robert Frosch told a Congressional hearing.

He said that if the 75-ton craft — the largest object orbiting the earth — appeared to be headed for densely populated areas it might be possible to maneuver it to a less populated region where the chances of injury would be one-in-1,500.

Frosch told the chairman of the House of Representatives Government Operations Subcommittee, John Burton (D-Calif.) that in seeking to avoid a densely populated region such as India, NASA might move the orbit over the United States.

Skylab was launched in 1973 and was temporary home to teams

International



NATIONAL MOURNING : An Iranian woman with a rifle watches over an estimated half-a-million people in Tehran's Sepah Square Tuesday. Ayatollah Khomeini declared national mourning to commemorate the oppression of the clergy when the revolution began in 1963. (See story page one)

To improve relations

Russia urges talks with China

MOSCOW, June 5 (R) — The Soviet Union reported Tuesday it had agreed to a Chinese call for talks on improving relations and proposed that delegations from the two countries meet in Moscow during July and August.

The Peking government said the Soviet message was "under study".

The official Tass news agency said the Soviet suggestion was contained in a message handed to

As reported by Tass and published in the Communist Party

daily "Pravda," the message laid down no conditions that might give China reasons to decline to enter talks.

The message, officially described as an aide memoire, was the fourth to pass between the two communist powers since April 3 when Peking first announced it was ready for negotiations aimed at normalizing ties with Moscow.

As reported by Tass and published in the Communist Party

daily "Pravda," the message laid down no conditions that might give China reasons to decline to enter talks.

It said the discussions should be aimed at "the normalization and improvement of relations between our countries on the basis of the principles of peaceful coexistence, including the principles of equality, mutual respect for sovereignty, territorial integrity, no interference in each other's internal affairs and the non-use of force."

It also proposed that the two countries, between which the ideological schism first became public almost 20 years ago, should agree to renounce any claims to special rights or hegemony in world affairs.

In recent years both Moscow

and Peking have accused each other of attempting to establish hegemony over different areas of the world, but particularly over Southeast Asia and the Far east.

If specific accords were

reached, the Soviet message said,

they should be recorded in an appropriate document to be

signed by both sides. But the

reading of the message did not

suggest this was a pre-condition

for the talks.

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Opposition groups on strike Nicaragua rebels step up offensive

MANAGUA, June 5 (AP) — Left-wing guerrillas pressed attacks across the nation Monday and opposition groups began a national strike aimed at forcing out the beleaguered administration of President Anastasio Somoza.

Sandinista National Liberation Front guerrillas reportedly controlled Chichigalpa, 85 miles northwest of Managua, and controlled most of Leon, the country's second-largest city, five miles south of Chichigalpa.

Heavy fighting was reported in the south along the border with Costa Rica, where the National Guard said it had launched a major offensive to crush the rebel drive.

There were no casualty reports. Scattered clashes and the ambush of a guard convoy were reported in Managua, where the usually bustling streets were otherwise quiet because markets, taxis and bus drivers headed the strike call.

The city's largest shopping center, Centro Commercial Managua, with 220 shops, was blocked off by chains.

Jeeploads of guardsmen with automatic weapons surrounded the hotel and Somoza's bunker complex as darkness fell.

Earlier Monday the Nicaraguan government charged that a Panamanian air force plane landed in northern Costa Rica and unloaded equipment and guerrillas fighting to oust Somoza.

The charge, carried direct from Somoza's office in Managua by a local radio station, did not say when the aircraft allegedly landed in Costa Rica or give any evidence. Costa Rican Minister of Security Juan Jose Echeverria denied the accusation.

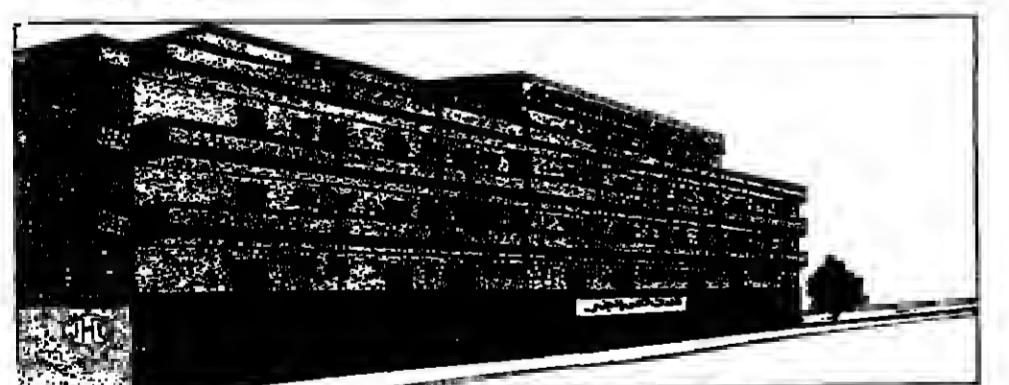
In Mozambique

Rhodesians hit rebel camp

National Liberation Army (ZANLA) of Robert Mugabe at Chivinge in western Tete province.

It was the first reported attack on guerrilla bases aligned under the new black-dominated government of Bishop Abel Muzorewa, who took over last week.

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